

# Oregon ruling could affect Utah power plants

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Oregon regulators have rejected a conditional PacifiCorp proposal to seek bids for new electricity generation, saying the company failed to prove its need for coal-fired power plants it planned for Utah and Wyoming.

The Oregon Public Utility Commission's Tuesday ruling, while only an early step in the power company's bid request process, reinforced growing national concern about global warming and a trend toward investigating energy production alternatives.

The PUC also found that PacifiCorp's plan for soliciting bids for the power plants was inconsistent with earlier promises to consider energy efficiency, conservation or short-term power purchases to meet increased demand for electricity in the eastern part of its six-state system, including Utah.

In a statement, Oregon PUC chairman Lee Beyer said "we expected PacifiCorp to fully explore strategies that would allow the company to delay a commitment for a big new central generating plant." The proposal, he said, "didn't do that."

The PUC was hoping PacifiCorp would consider an alternative to conventional pulverized coal technology that gasifies the coal before burning it, agency spokesman Bob Valdez said Wednesday. The technology allows a power plant to capture carbon dioxide, the main greenhouse gas responsible for global warming.

PacifiCorp serves more than 1.6 million customers in Utah, Idaho, Wyoming, Oregon, Washington and California. It operates under the name Rocky Mountain Power in Utah, Wyoming and Idaho.

The company would be a principal owner in the third Intermountain Power Project plant in Delta if it is built as planned. PacifiCorp also hopes to sell power generated at new units of its Hunter plant near Castledale and its Bridger plant in Wyoming.

The proposal to the Oregon commission was conditional and very preliminary, so its rejection isn't considered terribly damaging, Valdez said. "We're not closing the door," he said. "They're encouraged to take heed to what we've said and come back again."

On Jan. 1, a California law went into effect banning long-term contracts for conventional coal-fired power. The law means Southern California cities that paid for the Intermountain Power Plant can't enter new contracts when the current ones expire in 2027 unless IPP changes the way it generates electricity.

Oregon and Washington have joined with California in efforts to reduce global warming. The order rejecting PacifiCorp's exploratory proposal didn't deal in depth with carbon dioxide risks, but the Public Utility Commission will do so in a separate ruling, Valdez said.

PacifiCorp spokesman Dave Eskelsen said the company disagrees with the commission's finding that the early proposal was inconsistent with long-term plans for its energy portfolio.

Eskelsen also defended PacifiCorp's estimates of how much power Oregon would need during the coming years.

But figuring out how to find those new power resources has become increasingly difficult, said Tim Wagner, the Utah Sierra Club's Smart Energy Campaign director.

"Regulators and utilities and municipalities are questioning the merits in huge investments in coal-fired power plants" because of the risks that would accompany future federal regulation of carbon dioxide.

Regulations could include emissions caps or carbon taxes that would drive up the cost of coal-based electricity. "The markets are changing so rapidly I don't think anyone knows what's going to happen even six months from now," Wagner said.